

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 FEA-01 INT-05 AID-05 CIAE-00
COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 H-01 PRS-01 PA-01 AGRE-00
/088 W

-----112027Z 013067 /46

P R 112000Z FEB 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 0062

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: EGEN EFIN BR

SUBJECT: INFLATION IN JANUARY

1. ACCORDING TO DATA RELEASED BY THE GETULIO VARGAS FOUNDATION, THE INFLATION RATE IN JANUARY -- AS MEASURED BY THE GENERAL PRICE INDEX, INTERNAL -- WAS 3.7 PERCENT. THE ACCUMULATIVE INFLATION FOR THE LAST TWELVE MONTHS AMOUNTED TO 47.2 PERCENT, A JUMP FROM THE 46.3 PERCENT REGISTERED DURING JAN-DEC 1976. THE RIO CAST OF LIVING INDEX, ANOTHER CLOSELY WATCHED INFLATIONARY BAROMETER, ROSE BY 5.1 PERCENT IN JANUARY -- THE HIGHEST INCREASE IN EIGHT YEARS, WITH THE EXCEPTION OF LAST FEBRUARY WHEN IT WENT UP BY 5.22 PERCENT. DURING THE LAST TWELVE MONTHS THIS INDEX ROSE BY 47.2 PERCENT.

2. COMMENT: THE JANUARY INFLATION RATE

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MUST HAVE COME AS A SURPRISE TO GOB OFFICIALS. EARLIER THIS WEEK, FINANCE MINISTER SIMONSEN HAD SAID THAT THE INFLATION RATE IN JANUARY WOULD BE 3.1 PERCENT. IN ADDITION TO PURELY SEASONAL FACTORS (A NUMBER OF PRICES, PARTICULARLY OF PUBLIC SERVICES, ARE ADJUSTED IN JANUARY), IT APPEARS THAT THE ECONOMY HAS YET

TO RESPOND FULLY TO THE TIGHT CREDIT POLICY
INSTITUTED IN THE LATTER HALF OF LAST YEAR.
INDUSTRIAL CONSUMPTION OF ELECTRICITY IN THE
RIO-SAO PAULO AXIS, ALWAYS A GOOD INDICATOR
OF ECONOMIC ACTIVITY, CONTINUES TO GROW AT A
HEALTHY PACE. INTEREST RATES, REFLECTING
CONTINUING STRONG DEMAND FOR CREDIT, HAVE
REMAINED HIGH. GOVERNMENT OFFICIALS ARE
PREDICTING A DECELERATION OF INFLATION
IN FEBUARY AND MARCH AND HOPE, BY THE END OF
THE FIRST SEMESTER, TO BRING IT DOWN TO A RATE
OF 2.0 PERCENT PER MONTH.
CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION, DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL01167
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0079
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770251/aaaabtbw.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 10fdf5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3347073
Secure: OPEN
Status: NATIVE
Subject: INFLATION IN JANUARY
TAGS: EGEN, EFIN, BR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/10fdf5c7-c288-dd11-92da-001cc4696bcc
Review Markings:
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